

**STATE OF HAWAI'I  
OFFICE OF HAWAIIAN AFFAIRS  
560 N. NIMITZ HIGHWAY, SUITE 200  
(VIRTUAL MEETING - VIA ZOOM WEBINAR)  
COMMITTEE ON RESOURCE MANAGEMENT  
MINUTES**

**June 28, 2023 10:00 a.m.**

**ATTENDANCE:**

Chairperson John Waihe'e, IV  
Vice-Chairperson Luana Alapa  
Trustee Kaleihikina Akaka  
Trustee Keli'i Akina  
Trustee Brickwood Galuteria  
Trustee C. Hulu Lindsey  
Trustee J. Keoni Souza  
Trustee Mililani Trask

Mark Watanabe  
Melissa Wennihan  
Pohai Ryan  
Richelle Kim  
Ruben Sierra

**EXCUSED:**

Trustee Dan Ahuna

**ADMINISTRATION STAFF:**

Sylvia Hussey, CEO / Ka Pouhana / Administrator  
Casey Brown, COO / Ka Pou Nui  
Arlene Aguinaldo, IT  
Everett Ohta, Interim General Counsel  
Grace Chen, Financial Analyst  
Kevin Chak, IT  
Nietzsche Ozawa, Interim Senior Legal Counsel  
Ramona Hinck, CFO

**BOT STAFF:**

Colin Kippen  
Crayn Akina  
Evalani Canto  
Kanani Iaea  
Kyla Hee  
Lei Ann Durant

**GUESTS:**

Germaine Meyers  
Peter Gilpatrick, Kuilei

**I. CALL TO ORDER**

**Chair Waihe'e** calls the Committee on Resource Management meeting for Wednesday, June 28, 2023 to order at **10:02 a.m.**

**Chair Waihe'e** notes for the record that **PRESENT** are:

| MEMBERS    |             |             | AT CALL TO ORDER<br>(10:02 a.m.) | TIME ARRIVED          |
|------------|-------------|-------------|----------------------------------|-----------------------|
| CHAIR      | JOHN        | WAIHE'E, IV | PRESENT                          |                       |
| VICE-CHAIR | LUANA       | ALAPA       | PRESENT                          |                       |
| TRUSTEE    | KALEIHIKINA | AKAKA       | PRESENT                          |                       |
| TRUSTEE    | KELI'I      | AKINA       | PRESENT                          |                       |
| TRUSTEE    | BRICKWOOD   | GALUTERIA   | PRESENT                          |                       |
| TRUSTEE    | CARMEN HULU | LINDSEY     | PRESENT                          |                       |
| TRUSTEE    | J. KEONI    | SOUZA       | PRESENT                          |                       |
| TRUSTEE    | MILILANI    | TRASK       | PRESENT                          | Arrived at 10:04 a.m. |

At the Call to Order, **EIGHT (8) Trustees are PRESENT**, thereby constituting a quorum.

**EXCUSED from the RM Meeting are:**

| <b>MEMBERS</b> |     |       | <b>COMMENT</b>                  |
|----------------|-----|-------|---------------------------------|
| TRUSTEE        | DAN | AHUNA | MEMO – REQUESTING TO BE EXCUSED |

**II. APPROVAL OF MINUTES**

None

**III. UNFINISHED BUSINESS**

None

**IV. NEW BUSINESS**

**A. Action Item RM #23-14: Approve the Awarding of ‘Ahahui Grants, Cycle 3, from Solicitation #23-01.01, published April 19, 2023**

**Chair Waihe’e** asks if there is anyone signed up to testify on this agenda item.

**RM Staffer Akina:** Not at this time.

**Chair Waihe’e** turns it over to Ka Pouhana Sylvia Hussey.

**Pouhana Hussey:** Thank you, Chair Waihe’e. Good Morning, Trustees, Action Item RM #23-14 is the companion to last week’s cycle 2 ‘Ahahui, it is in that same group that it was reviewed. You have the recommendations, all applications that went to recommendation, were recommended for awarding and you have the list. You were previously provided with scoring sheets, as well as additional detailed information, so Administration is available to answer any specific questions you may have.

**Chair Waihe’e** asks if there are any questions.

There are no questions.

**Trustee Lindsey move to approve the following Fiscal Year 2023 ‘Ahahui Grant, Solicitation #23-01.01 (Cycle 3) disbursements totaling \$69,830 from Core Operating Budget (Object Code 56530):**

| <b>Organization Name</b>                   | <b>Event<sup>1</sup></b>                                                                                                                                                                                                   | <b>Award Amount Recommendation</b> |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| 1. Living Life Source Foundation           | 10/28/2023<br>Waiakeakua Forest in upper Manoa valley                                                                                                                                                                      | \$9,830                            |
| 2. Native Hawaiian Hospitality Association | 09/30/23-10/01/23<br>Royal Hawaiian Center                                                                                                                                                                                 | \$10,000                           |
| 3. Hana Arts                               | 12/01/23 - 12/24/23<br>Hana High & Elementary School 4111 Hana Hwy, Hana, HI 96713                                                                                                                                         | \$10,000                           |
| 4. Kualoa-He'eia Ecumenical Youth Project  | 10/20/2023<br>KEY Project<br>47-200 Waihe'e Rd. Kāne'ōhe, HI 96744.                                                                                                                                                        | \$10,000                           |
| 5. Huliauapaa                              | 11/02/2023 – 11/04/2023<br>Bernice Pauahi Bishop Museum<br>1525 Bernice St, Honolulu, HI 96817                                                                                                                             | \$10,000                           |
| 6. Adult Friends for Youth                 | 03/04/2024-03/12/24<br>PEARL Convention: 4 days virtual 1 day at the Neil Blaisdell Auditorium<br>777 Ward Avenue Honolulu, HI 96814<br>1 day at the Kauai War Memorial Convention Hall:<br>4191 Hardy St, Lihue, HI 96766 | \$10,000                           |
| 7. Ala Kukui Hāna Retreat                  | 08/19/2023<br>Ala Kukui 4224 Hana Hwy Hana, HI 96713                                                                                                                                                                       | \$10,000                           |
| <b>Total Recommendations (7)</b>           |                                                                                                                                                                                                                            | <b>\$69,830</b>                    |

**Trustee Souza seconds the motion.**

Chair Waihe'e asks if there is any further discussion.

There is no further discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

|                         |   |   |           |            |                   |  | 10:07 a.m. |
|-------------------------|---|---|-----------|------------|-------------------|--|------------|
| MOTION                  |   |   |           |            |                   |  |            |
| TRUSTEE                 | 1 | 2 | 'AE (YES) | A'OLE (NO) | KANALUA (ABSTAIN) |  | EXCUSED    |
| DAN AHUNA               |   |   |           |            |                   |  | EXCUSED    |
| KALEIHIKINA AKAKA       |   |   | X         |            |                   |  |            |
| KELI'I AKINA            |   |   | X         |            |                   |  |            |
| VICE-CHAIR LUANA ALAPA  |   |   | X         |            |                   |  |            |
| BRICKWOOD GALUTERIA     |   |   | X         |            |                   |  |            |
| CARMEN HULU LINDSEY     | 1 |   | X         |            |                   |  |            |
| J. KEONI SOUZA          |   | 2 | X         |            |                   |  |            |
| MILILANI TRASK          |   |   | X         |            |                   |  |            |
| CHAIR JOHN WAIHE'E      |   |   | X         |            |                   |  |            |
| <b>TOTAL VOTE COUNT</b> |   |   | <b>8</b>  | <b>0</b>   | <b>0</b>          |  | <b>1</b>   |

**VOTE: [ X ] UNANIMOUS [ ] PASSED [ ] DEFERRED [ ] FAILED**

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

**IV. NEW BUSINESS**

**B. Action Item RM #23-15: OHA Fiscal Stabilization Policy, Unspent, Uncommitted, Unencumbered Funds from FY2021**

Chair Waihe'e asks if there is anyone signed up to testify on this agenda item.

**RM Staffer Akina:** Not at this time.

Chair Waihe'e turns it over to Ka Pouhana Sylvia Hussey.

**Pouhana Hussey:** Thank you, Chair Waihe'e. Trustees, for those who are new Trustees, in June of 2021 as the Board approved the FY 22-23 biennium budgets, they also approved a FY21 reserve of a million dollars to address separation costs, based on the reorganization. So, this Action Item just updates that budgetary authority, and we're asking to continue that authority into FY24 so that the completion of any activities can be recognized. Then Administration will come back with the close out of this particular item. So, this is again FY21 Authorization that was approved to be carried forward to FY22-23, and now Administration is asking that it be carried forward to FY24, with the expectation that they will return to address the close out of this particular reserve item.

Chair Waihe'e recognizes Trustee Souza.

**Trustee Souza:** Ka Pouhana, these 1 million dollars from my understanding was a part of the reorg., *how did this work?*

**Pouhana Hussey:** When we proposed the reorganization budget that the Board approved, in the reorganization was a reduction of 179 positions to 143. Of the 143 there were forty positions that were impacted as part of the reorganization that had incumbents; there were more positions impacted, but those positions were not filled at the time of the action. So about forty positions were impacted, they had incumbents in them. The seating process for new positions occurred, and about half of those forty individuals were seated in new positions which remained about the remaining half, so another 20 of the staff members impacted, then were offered the separation packages and agreements. So this 1 million dollars was to account for the cost of what was mandatory to provide, which was all of the accrued vacation as well as medical; again, remember, this was a time during COVID, so there were requirements based on that. The organization also gave separation pay for years of service as well as outplacement access, career transition services for those who took enhanced separation agreements. So, that one million was their established as an estimate, the action at that time also indicated to the extent that the cost of separation exceeded a million, Administration would come back either through the Fiscal Stabilization Fund if it met criteria, and if it didn't be criteria through the regular budget process. At this point, the one million dollars we feel is sufficient, and we are just asking for authority to push it forward so that we can complete all of the separation and reorganization activities in Fiscal Year 24

**Trustee Souza:** The separation, meaning, employees who are no longer here. How come we haven't paid them out yet.

**Pouhana Hussey:** Oh, no, we've paid them, the separation agreements are all their accrued vacation, so when they separated, separation activities took over from July all the way to December 30, 2021. So, in all that time, as they are separating; their accrued vacation packages, their medical; the vacation service paying, so it's all paid. The only outstanding item is the contract we have for career transition services, those who took an enhanced packages can be made available. So, we have that vendor and that contract opened and available. So, none of this is unpaid in other words, Trustee, they're all obligations that we have satisfied.

**Trustee Souza:** Thank you.

**Trustee Lindsey moves to approve the carryover the FY21 \$1,000,000 budget, including unspent, uncommitted, unencumbered funds from Fiscal Biennium Period 2021-2022 (FY 22) and 2022-2023 (FY 23) to Fiscal Year 2023-2024 (FY 24), for the purpose of addressing and completing projected reorganization related activities and costs.**

**Trustee Akina seconds the motion.**

**Chair Waihe'e** asks if there is any further discussion.

**Chair Waihe'e** recognizes Trustee Galuteria.

**Trustee Galuteria:** I would just like to know; we're carrying this over through 2024. It appears that the reorg is done, what else needs to be done? I'm very curious why we would hold this for another year. What are the plans, is this just a stock yet measure, in case something comes up.

**Pouhana Hussey:** Well, in some ways, so part of the separation are basic separation agreements and enhanced separation agreements, and with enhanced separation agreements. There are releases that were a part of that, so to the extent that a release wasn't received that is still being held out for just in case. So that's the reason we are asking to be carried forward. We do anticipate; all of the activities are there, but all of the requirements are not finished yet, and so we want to be able to have that, and then come back to the Board to close it up cleanly.

**Trustee Galuteria:** So, the forecast is, one more year is sufficient, you think?

**Pouhana Hussey:** Correct, yes.

**Trustee Galuteria:** Okay, thank you.

**Chair Waihe'e** recognizes Trustee Trask

**Trustee Trask:** I just have some questions because I don't really understand what we're doing here. We had an anticipated need for a budget the last two years, we carried it forward. In this meeting, I'm being told that the separation agreements are done. There's also now a second document called an Enhanced Separation Agreement, I've not seen any of them. These are agreement of people that are leaving OHA, is that correct?

**Pouhana Hussey:** So, Trustee. That's correct. At the time of the separations, by December of 2021, any agreements were all completed by that time.

**Trustee Trask:** *Right, so why are we carrying them over to 2023*

**Pouhana Hussey:** So, we still have potential claims in that process, so we want to be sure that we have reserves, and the reason Administration asked the Board to reserve out of FY 21 funds, because it was a available there, based on spending, so that we didn't put this reorganization cost into the new fiscal biennium of 22-23, and now into 24-25. So, we're just asking that that authorization be kept there so that it doesn't interfere with any of the operating costs for 24-25 as well as 22-23.

**Trustee Trask:** Can you give me an example of what a remaining potential claim is. What is the remaining potential claim?

**Pouhana Hussey:** So, whenever the separation agreements; the basic agreement is that we provided accrued vacation, medical for 6 months, we also provided separation amount of a week's worth of severance for up to 10 years, that's the basic package. The enhanced package was if they chose to take the separation of a week up to 40 years of service, and with that became the enhanced agreement, which include releases. So, as we explain with Trustee Souza, there are about 40 some odd positions with incumbents in them, half found positions within the organization, another half separated. Of that half, half of that half took the enhanced package, and the other half was the basic package, which was not the enhancement that included releases. So, there is still a potential claim period that may be made, that's still open.

**Chair Waihe'e** recognizes Trustee Souza.

**Trustee Souza:** Mahalo, Chair. Ka Pouhana, sorry that was a lot of math for me in a very short amount of time, so if I'm following correctly, it's about five more claims, how many more potential claims, five, ten?

**Pouhana Hussey:** Ten.

**Trustee Souza:** I got it right the second time. Perfect? I'm just concerned about this, because, since 2021, we got a million dollars, if we kept it in the Trust, we would have been making money off of it. Where was this sitting?

**Pouhana Hussey:** So these are operational funds, that are here. It's already committed. It's committed with purchase orders, it has been used to fund shortages, because of the vacancies we've had to run additional over time, we've had to run temporary services, so part of that the Board approved 150,000 to pay those costs the as a result of the reorganization. So, if you look on page 4, table 2, that will show that originally we budgeted the 1 million dollars in those categories. We spent a certain amount in those categories, there's a reclassification, and what we've accrued is the rest of it, just in case. At the end of the period, when we make the adjustment, and we settle everything, and we make all those calculations, whatever is not used and not committed, we will then come back to the Board to release and close. So, I'm sorry Trustee, because it's not a Fiscal Stabilization, it's not cash that we pull out. It's just an obligation that we're recognizing, and we'll fund when and if the obligation becomes due, at this point, what we have is an obligation for a contractor to provide career transition services. We haven't had anything spent against that, so no cash has gone out. What this is budgetary authority to spend if needed.

**Trustee Souza:** Thank you, Ka Pouhana. Thank you, Chair.

**Chair Waihe'e** asks if there is any further discussion.

There is no further discussion.

**Chair Waihe'e** calls for a **ROLL CALL VOTE**.

| MOTION                  |   |   |              |               |                      | Motion: 10:13 a.m.<br>Vote: 10:21 a.m. |
|-------------------------|---|---|--------------|---------------|----------------------|----------------------------------------|
| TRUSTEE                 | 1 | 2 | 'AE<br>(YES) | A'OLE<br>(NO) | KANALUA<br>(ABSTAIN) | EXCUSED                                |
| DAN AHUNA               |   |   |              |               |                      | EXCUSED                                |
| KALEIHIKINA AKAKA       |   |   | X            |               |                      |                                        |
| KELI'I AKINA            |   | 2 | X            |               |                      |                                        |
| VICE-CHAIR LUANA ALAPA  |   |   | X            |               |                      |                                        |
| BRICKWOOD GALUTERIA     |   |   | X            |               |                      |                                        |
| CARMEN HULU LINDSEY     | 1 |   | X            |               |                      |                                        |
| J. KEONI SOUZA          |   |   |              |               | X                    |                                        |
| MILILANI TRASK          |   |   |              | X             |                      |                                        |
| CHAIR JOHN WAIHE'E      |   |   | X            |               |                      |                                        |
| <b>TOTAL VOTE COUNT</b> |   |   | <b>6</b>     | <b>1</b>      | <b>1</b>             | <b>1</b>                               |

**VOTE:** [ ] UNANIMOUS [ X ] PASSED [ ] DEFERRED [ ] FAILED

**Chair Waihe'e** notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

#### IV. NEW BUSINESS

##### **C. Action Item RM #23-16: OHA Biennium Budget for Fiscal Biennium Periods 2021-2022 (FY22) and 2022-2023 (FY23) – Realignment #7 – Non-Core and Core Realignments**

**Chair Waihe'e** asks if there is anyone signed up to testify on this agenda item.

**RM Staffer Akina:** Not at this time.

**Chair Waihe'e** turns it over to Ka Pouhana Sylvia Hussey.

**Pouhana Hussey:** Thank you, Chair Waihe'e. Trustees, the realignment 7 is the last realignment. that's done for the 22-23 budgets, the next Action Item is the new biennium. So, as you know, the budget management policy is, and if you take a look on the page right before the signature piece, there's a tracking of all of the action items in reverse. So, we start with the budget in June 2021, and then we add on all of the budgetary actions until we get to the most current, the realignment right before the year end is so that we can clean things up, there are expenditures that are projected, we don't have budget line items in there, there are additional projections that we need, there's reclassifications that are going on. So, Realignment #7 cleans up all of those kinds of Fiscal Year 22-23 activities, so we can ensure that our records are reflective. First of all, that they have budgetary authority, and then, second, the spending can be matched against the budgetary authority. So, usually the last realignment for the Fiscal Year is sort of a clean-up realignment to ensure that all of our budget and spending activities for the current fiscal biennium are clean. So, you'll see reclassification, you'll see additions on individual line items, things like that, and that's to be consistent with budgetary policy. Administration has up to a certain limit of moving budgetary dollars, and so whenever it exceeds that, or we're moving between personnel and non-personnel, etc., we bring it back through budget realignment.

**Chair Waihe'e** asks if there is any questions.

**Chair Waihe'e** recognizes Trustee Akina

**Trustee Akina:** Thank you, Mr. Chair. I have a question for clarification on pages 36 and 37 of the PDF, on the hard copy that's 13 and 14, it has to do with the total adjustments. The amount indicated for total adjustments is \$666,898, for clarification. does this figure refer to unspent funds in the operating budget for fiscal 2023.

**Pouhana Hussey:** No, it represents budgetary adjustments, so not spending adjustments, but budgetary adjustments. So, to that point, Trustee Akina, you're on Table 4 on page, 13, so that 600 at the very bottom on the next page, if you look up, you'll see line by line what the net core adjustments are, so under line one, you'll see that those reclassifications net to 29,000, the next one is 17,000, so these are budgetary adjustments.

**Trustee Akina:** So that would explain with respect to the Native Hawaiian Revolving Loan Funds, why we did not utilize 546,000.

**Pouhana Hussey:** Correct.



**Trustee Akina:** Okay, thank you. That was my question. I have a couple of other questions, but I'll allow other trustees to ask.

**Chair Waihe'e:** Are there any other questions? If not, I'll let Trustee Akina continue.

**Chair Waihe'e** recognizes Trustee Akina

**Trustee Akina:** Thank you, Mr. Chair. I'm looking at Table 5 on page 37 in the electronic folder and on our hard copy, that's page 14, it includes the item contracts in the amount of 5.5 million dollars. Can you confirm that this amount refers to funds that will be paid out for services that have already been completed, is my understanding correct there.

**Pouhana Hussey:** So, this represents budgetary authority. So, everything in Table 5, and even in Table 4, this is budgetary authority versus actual expenditure.

**Trustee Akina:** Okay, so are there any adjustments within this Action Item that include any new funding specifically related to contracts?

**Pouhana Hussey:** No.

**Trustee Akina:** Okay, thank you. I do have one more question that I'll go ahead and ask, it's been kind of a perennial question, and so forgive me, Sylvia, if you've given us the answer. In context of Table 5 on page 37, we spent 700,000 on two tents that were intended to be used at Lot A and Hakuone, and of course the City notified us that these tents didn't need local codes. Since then, can you tell us what has happened with that, or what appropriate category the costs are accounted for.

**Pouhana Hussey:** I'm going to ask Ka Pou Nui to come on and provide that that information.

**Trustee Akina:** Thank you.

**Pou Nui Brown:** Mahalo, Trustee Akina. The tent cost was \$380,000, so it wasn't 700. As of right now, the tent is sitting in storage, out there in Hakuone, in a container. The intent, is to find some use for it. There might be a use for it in temporary activations on one of the lots in Hakone, or maybe another property that OHA may own. I think also we would be looking for other ways to get value out of it, up to and including selling it, but the intent right now is to look at how we could get value out of it in terms of a temporary use, but as of right now it's sitting in a container.

**Trustee Akina:** The reason that I said 700,000, is that's the figure that the State Auditor refers to, *is he mistaken?*

**Pou Nui Brown:** He is mistaken.

**Trustee Akina:** Okay, and we've responded to the State Auditor accordingly.

**Pou Nui Brown:** Yeah, that would have been part of a list of responses that we handed to him.

**Trustee Akina:** Okay, thank you. Just one last questions. On page 37 of the electronic folder, there's a figure for U.S. Department of Interior, 231,000 dollars. Can you explain what that is? Electronic folder, page 37. That would be table, I'm not looking at the electronic folder.

**Pouhana Hussey:** Okay, you're looking at the bottom of table 4 that is going into page 14.

**Trustee Akina:** Yes.

**Pouhana Hussey:** Okay, Wao Kele o Puna received a Federal Grant from Fish and Wildlife, so that represents the grant and therefore the budget for that expenditure.

**Trustee Akina:** Thank you very much.

**Pouhana Hussey:** Sure.

**Chair Waihe'e** recognizes Trustee Galuteria

**Trustee Galuteria:** Thank you, Chair. This is more of a comment instead of a question. My experience with budgets are more on the State level with the State budget, and I'm not quite sure how, because we're the freshman Trustees, how it worked before, but seven realignments in any given year is quite excessive. I'm hoping that as we move forward, we can minimize it as much as possible. That's more of a reflection and a comment, than a question. Okay, thank you.

**Chair Waihe'e** recognizes Trustee Souza

**Trustee Souza:** This is more of a comment as well, and I'm not trying to be cute about this. But \$350,000, the \$700,000 number that Trustee Akina brought up. To me, that's the value of that tent right now, because I translate that into a \$350,000 fixer upper in Makaha, that in over a period of 2 years I could have doubled your money. So just to put that into perspective, so that I hope we move forward on doing something about this tent. The last time we talked about it, there was no potential buyers and that concerns me. Since then, obviously we haven't done anything about it, it's sitting in storage, I don't want to hear that again. The next time we talk about this, I want to make sure we get something done and move forward on it. So, thank you. Chair.

**Chair Waihe'e** Thank you. Trustee.

**Pouhana Hussey:** May I provide context for Trustee Galuteria.

**Chair Waihe'e** Yes, Pouhana, go ahead.

**Pouhana Hussey:** Thank you, Trustee Galuteria, I appreciate the comment and observation. Trustees, if you look on page 31 of the Action Item, and that's a common table that references, you will see well over A through P. So, Trustee Galuteria, to your point, it's more than seven realignments. Seven realignments are just like the regular kind of realignment work. Whenever there was a budgetary change for Kakaako Makai, for legislative action, for acquisition, when you're repurposing all of the funds from one fund to another, when you're carrying over grant funding from one year. The Board's current budget management and execution policies require this level of detail coming back, several of us have had experiences with other organizations that once the budgets are approved, management just manages the budget. However, the current policies have required us to do this, and so that's why we bring everything back to the Board for their awareness, and that page 31 will track the *Mo'okū'auhau* or the *genealogy* really of the actions, and is a good place as Trustees to reflect on, every time there was a major budget change, it's reflected in that table there, so thank you for raising that

**Chair Waihe'e** recognizes Trustee Trask

**Trustee Trask:** Thank you. I just wanted to add this comment to our notes for this meeting; and that is that in terms of the necessity for seven realignments, it didn't really spring about automatically from this Board. What happened was not one, but three very critical audits; one from the State and 2 from Private. CLA and Plante Moran, so let's not forget about that. Huge mistakes were made, millions were taken out, under the previous Board and Kamana'o pono Crabbe, and it's our job to clean it up. We're not the ones that made the problem, colleagues, but we have to clean it up, and part of what we've had to do is go back and make budget realignments for things that should have never been paid out, including millions that we're still waiting; myself and Trustee Akina took it over to the FBI. But when you have this kind of a historic problem that we inherited, we have to go back and correct that, and every time we do and make a realignment, it takes us a little bit closer I think, to being more responsive to the accounting obligations that we have. So, I just wanted that to be on the record. In terms of the tent, I just want to make a comment that we've looked for uses at the tent, but every time we look at that it's always *Can O'ahu use um, what can O'ahu do for it?* Did anybody look at the potential needs for my island on Big Island, Moloka'i or Maui? We don't just have one island, I know that Sylvia steps down, I'm happy to work with Colin. Let's look to see, when we look what we can do with things like a tent such as this, let's look to see for all our beneficiaries, and not just look to see, does O'ahu need it. I'm not for throwing away assets that we purchased, when we could repurpose it in the future, and when I see what is happening with structures such as this all over the world; the Government of Australia now uses it to lead, they're advertising for all their tourism, I mean, if they can do it, what are we doing? And I'll give you a heads up, I'm gonna look for something I can do with this tent on Big Island. So if you have a use for it on your island start looking Trustees. I'm not for throwing away assets, because people cannot find out a use for it on O'ahu.

**Trustee Lindsey moves to approve the fiscal biennium budget realignment #7 for the fiscal biennium periods 2021-2022 (FY22) and 2022-2023 (FY23) as summarized at Attachment #1.**

**Trustee Akaka seconds the motion.**

**Chair Waihe'e** asks if there are any further questions or discussion.

There are no further questions or discussion.

**Chair Waihe'e** calls for a **ROLL CALL VOTE**.

| <b>MOTION</b>           |                     |          |          |                  |                   |                          | 10:36 a.m.     |
|-------------------------|---------------------|----------|----------|------------------|-------------------|--------------------------|----------------|
| <b>TRUSTEE</b>          |                     | <b>1</b> | <b>2</b> | <b>'AE (YES)</b> | <b>A'OLE (NO)</b> | <b>KANALUA (ABSTAIN)</b> | <b>EXCUSED</b> |
| <b>DAN AHUNA</b>        |                     |          |          |                  |                   |                          | <b>EXCUSED</b> |
| KALEIHIKINA             | <b>AKAKA</b>        |          | <b>2</b> | <b>X</b>         |                   |                          |                |
|                         | <b>KELI'I AKINA</b> |          |          | <b>X</b>         |                   |                          |                |
| VICE-CHAIR LUANA        | <b>ALAPA</b>        |          |          | <b>2 - X</b>     |                   | <b>1 - Kanalua</b>       |                |
| BRICKWOOD               | <b>GALUTERIA</b>    |          |          | <b>X</b>         |                   |                          |                |
| CARMEN HULU             | <b>LINDSEY</b>      | <b>1</b> |          | <b>X</b>         |                   |                          |                |
| J. KEONI                | <b>SOUZA</b>        |          |          | <b>X</b>         |                   |                          |                |
| MILILANI                | <b>TRASK</b>        |          |          | <b>X</b>         |                   |                          |                |
| CHAIR JOHN              | <b>WAIHE'E</b>      |          |          | <b>X</b>         |                   |                          |                |
| <b>TOTAL VOTE COUNT</b> |                     |          |          | <b>8</b>         | <b>0</b>          | <b>0</b>                 | <b>1</b>       |

**VOTE: [ X ] UNANIMOUS [ ] PASSED [ ] DEFERRED [ ] FAILED**

**Chair Waihe'e** notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

**IV. NEW BUSINESS**

**D. Action Item RM #23-17: OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY24) and 2024-2025 (FY25)**

**Chair Waihe'e** asks if there is anyone signed up to testify on this agenda item.

**RM Staffer Akina:** Yes, we have Germaine Meyers.

**Chair Waihe'e** recognizes Germaine Meyers

**Germaine Meyers:** Chair Waihee, before I give my testimony, may I have a point of clarification, please?

**Chair Waihee:** Sure.

**Germaine Meyers:** Okay. Isn't it true that if Trustees in today's RM Committee Meeting does not approve at this meeting, the Biennium Budget for FY24 & FY25, and the BOT, does not ratify the Biennium Budget tomorrow. Isn't it true that OHA cannot operate starting on July 1st 2023, meaning, OHA must remain closed until the RM Committee and the BOT reconvene and approve the Biennium Budget, however long it takes.

**Chair Waihee:** I'll let Sylvia explain what happens if the budget does not pass today.

**Pouhana Hussey:** So beneficiary Germaine is correct, that the Administration has no budgetary authority to pay bills, pay payroll, operate; we have cash, but we don't have budgetary authority.

**Chair Waihee:** Okay.

**Germaine Meyers:** So, another point of clarification; I'm sorry to hear that, and I'm sorry RM Chair Waihe'e that you had approved the timeline earlier this year that created this unfortunate situation. That the budget is coming to the RM Committee for approval two days before the end of the Fiscal Year 2023. So just wanted to point that out. At this time, I'll start my testimony.

Aloha RM Chair Waihe'e, RM Vice Chair Alapa, Trustees, Ka Pouhana, Staff, and Lāhui. My name is Germaine Meyers, and I'm an OHA beneficiary, for beneficiary advocacy and empowerment. I'm also a Nanakuli Hawaiian Homestead Lessee. First and foremost, I humbly ask the Trustees to approve the Biennium Budget today and ratify it at tomorrow's BOT meeting, so that OHA will not close, and employees will not get paid, starting July 1st. Then, in July, work on a realignments to come before the RM Committee to correct and modify any budget issues Trustees may have today, and then go to the BOT for ratification. I have reviewed pages 95 and 96 of the packet that included Kakaako Makai's budget, and, as you know, I lāhui in Nanakuli, Maili and Waianae Neighborhood Board express support of Hakuone. I wanted to highlight that Hakuone is something that RM Chair Waihe'e, as a Trustee starting in 2000, he did support the 2012 land acquisition in order to settle the State's due to the to 200 million dollars in back payment to OHA. Also, Kaka'ako Makai / Haukone does support the housing and high rises, which, of course, was the original intent, and I believe why Trustee Waihee had supported it at that time. I think Trustee Hulu Lindsey just came aboard in 2012. OHA had already spent a million dollars on concept, and then 3 million dollars for Master Pan with DTL and WCIT. You must continue to invest with Hakuone, because it is in support of your strategic plan. 5.2 and 6.1, which I like to remind you. In 5.2 it increases numbers and percents of Native Hawaiians who own housing that meets their 'ohana financial well-being needs, and 6.1 is to increase affordable nontraditional housing options in communities of 'ohana's choice. As we had expressed in Wai'anae and Nanakuli, we do want to have housing options in Kaka'ako. At yesterday's Hawaiian Homes Commission meetings, I'll share with you if I have more time, that DHHL had gone into a memorandum of agreement for 100 million dollars with Hawaii Community Lending in order to provide FHA interim construction loans so that we can get Native Hawaiians pre-qualified. This is something that OHA can do in order to pre-qualify Native Hawaiians, and then, of course, hand them over to institutions. This 100 million dollars, because the maximum is \$450,000 per loan, it will help 222 Native Hawaiians get pre-qualified with interim construction loans. I also wanted to share that on pages 143 to 150, and page 152, I was appalled to see that the Chief Operating Officer, under his oversight, according to the organizational charts, again, starting from pages 143 to 150, and on page 152, it noted 21 green colored, vacant, non-organizational, related positions and 12 blue, vacant reorganization positions. In addition, the CFO started her organization chart as far as her oversight of positions, started on page 151, and there were 6 green positions, again, green is vacant, non-organizational, related, and one blue position, which is a vacant reorganization. How can a reorganization, when it was approved from back when Chair Colette Machado was the Chair, that's when the reorganization plan came before this Board, Brendon Lee was the Vice Chair at the time. They supported this reorganization, the COO was present at that time. What had taken him so long that he allowed for 12 vacant blue positions, to remain vacant? So those are my concerns, I notice that I'm almost out of time, so I wanted to express my Mahalo to all of you for giving me this opportunity, and ke Akua pū, God bless all of you.

**Chair Waihe'e:** Thank you. Germaine.

**Chair Waihe'e** turns it over to Ka Pouhana Sylvia Hussey.

**Pouhana Hussey:** Thank you, Chair. Trustees, I'm gonna ask Casey to introduce a guest who is on and available for any questions that Trustees may have, just to make sure that everyone knows everybody on the call.

**Pou Nui Brown:** Sure, Trustees we have Peter Gilpatrick from Kuilei, who oversees the Real Estate Advisory work, we just want him on board in case you guys get into some questions that we may need answers, so he's here, we may or may not need him.

**Peter Gilpatrick:** Good morning. Aloha, everyone

**Pouhana Hussey:** Trustees, as we indicated in the workshop last week, the Action Item is really the budget books that you received back on May 15<sup>th</sup>, it is in the same format with the spending, the schedules, the details. Last week's workshop, Administration brought to your attention some additional items that we were going to be proposing in the budget this week, and that engendered some lively discussion, and we expect and are prepared for that as well. So, we're here to answer any questions that you may have regarding the proposed FY24 & FY25 budgets.

**Chair Waihe'e** recognizes Trustee Akina

**Trustee Akina:** Thank you, Chair. I do have a few questions, first on page 72 of the PDF, under Core Grants Budgets, that's 15 on the hard copy. The total amount for grants comes up to 35.1 million over 2 years. How can we make sure that the organizations on each island are being awarded, and that organizations have access to appropriate assistance to complete the grant application and grant closing process.

**Pouhana Hussey:** So, Trustee that table 6a, is the highlight table, and when Grants administers the programs, we go down to each of the line items. For example, all the tables, 6b, 6c, all the different categories of grants, the largest one that is allocated is the Ohana grants. So on page 17, table 6e, the Ohana grants, in the solicitation itself it actually indicates how much is allocated for Kaua'i, Hawai'i Island, Maui, Molaka'i, the only 2 islands that we hold out because of their size, is Ni'ihau and Lana'i, because we've identified that they're so small, they often don't have an application in, or they don't have resources, so we want to be sure that we allocate dollars and find a mechanism to get those dollars to those smaller communities, but otherwise this particular Ohana grant is broken up. The rest of the grants are all statewide, so anyone is available, in the awarding process, if there is a predominance of one over the other, the Evaluation Committee will also look at that, and the awarding would also consider that. At this point, only because there will be a budgetary constraints, that we would put that kind of constraint on the awarding, at this point we want as many applications, and I think I said this before that we would want to come to the Board and say, the budget is 200,000 for this, but we have a very healthy pool of applications that have gone through evaluation, and the recommendation is, \$220,000, and so we're asking for budgetary awarding. and here's where the money will come from. But, that's how the grants program in the implementation ensures that there's equity in not only programming as well as island geographic, but they also look at gap. So, if the application is filling a gap that is nowhere else in the State, whether it's a service, a population, a kind of service, a kind of entity, or a network, in the evaluation process, they will look into that with the evaluators.

**Trustee Akina:** Do we have a process whereby, under serviced islands and regions will get the assistance they need, technical assistance in order to apply successfully.

**Pouhana Hussey:** So, based on last week's discussion regarding technical assistance included in the budgets are 100,000 in contract money, so that OHA can solicit for technical assistance for our grants as well as any other grants. The objective is to strengthen our applicants, so what strengthens our applicants for our grants strengthens them to apply for other grants, and so based on the feedback from Trustees and the community, that's why there's 100,000 in contracting dollars for us to go out and run a procurement for those kinds of services.

**Trustee Akina:** Thank you, Ka Pouhana. I'm very glad to hear that.

**Pouhana Hussey:** Sure.

**Chair Waihe'e:** Trustee Akina, are you still...

**Trustee Akina:** I'll defer for now.

**Chair Waihe'e** recognizes Trustee Galuteria

**Trustee Galuteria:** Thank you, Chair. I'm taking a look at Attachment 5, Core Operating Budget Summary, by Program, and I just need some clarity, and perhaps other members as well, would want to know what our contracts on a fee basis. I've noticed that as you drop down through the programs, that in the case of Board of Trustees, services on a fee basis, 320,926 33 what would that be for, and secondly, the personnel and the fringe total is down there, so what else would we need, as an example for the Board of Trustees, in terms of services on a fee basis.

**Pouhana Hussey:** So generally, contracts fall into two subcategories; one, the direct legal services, so those are all the attorneys, and legal services that are engaged by General Counsel for the organization work, so Board Counsel work would be under that category. Then services on a fee contracts are basically everything else; professional services contracts, you have auditors, you have other kinds of things. And just to be sure, Trustee you're referring to Attachment 5, which is A5-1, is that the page?

**Trustee Galuteria:** Yes.

**Pouhana Hussey:** Thank you. So each unit will have this breakdown, so what A5 is trying to illustrate is that each of the aggregate budgets roll up to the big total budget. So, salary and fringe and personnel as you pointed out, are just the regular, the number of positions allocated in the budget for the Board of Trustees, which is 29. All positions in the Board suite are filled except one, so you're looking at salaries and wages for 28 positions and the related fringe benefits. For State of Hawaii, for budgeting and actual purposes, OHA's fringe is 52 cents on the dollar, and then we also have factored in a 25% vacancy rate in the estimates for the salaries as well. So, appendix 5 is trying to take the big budget on attachment one, and put it down at the org level which each org organization is responsible for managing through the biennium period.

**Trustee Galuteria:** Thank you for that Sylvia, there seems to be an inconsistency in what is offered per program, and you probably have a formula for that so again, you may have explained it in what you just got through saying, but for clarity, in the case of the Corporate Counsel, the services on a fee basis amount to 1.5 mill, in the Human Resources, 124,000 services on fees, there is a personnel budget as well and on others there isn't a services on a fee basis. Can you

explain why, on some of them there are, and some over there aren't. Maybe that's something you can point out.

**Pouhana Hussey:** Sure, that's a great question. So, budget construction at OHA is based on functional need, so what are the plans for the next two years? Most of the operating units are standard operating units. Corp Counsel will pick up all our risk management items in there; all the insurance is in there, our regular general counsel work, our conflicts work, all of that are in that line item. In Human Resources, the contracts will be for head hunting, supplementary temporary services, those are functional. All the contracts are based on functional need; you will see if there are contracts in advocacy, it's because they are planning to complete a specific item that they need professional services. So, when the budgets are constructed by the operating units, the plans for the next two years are known, and planned as a whole, and then they resource to that. So, for example, even to the extent of Ka Wai Ola, if there is a plan that Ka Wai Ola is now going to expand to a standing 32 page issue, or 36 page issue, which is previously larger, as an example than our standard 28 page issue, then we plan and budget accordingly, and then we manage the spending accordingly by all of the line items. So, it really is a functional basis, by the operating units to say what resources and what kinds of resources they need.

**Trustee Galuteria:** Okay, yeah, thank you for that. Thank you.

**Chair Waihe'e** recognizes Trustee Akina

**Trustee Akina:** Thank you, Mr. Chair. Ka Pouhana, I want to follow up with some questions about contracts as well. I'm looking at page 79 of the PDF Electronic folder, which would be 22 on the hard copy under contracts. Our preliminary budget request is about 13.2 million dollars over two years. One of the difficulties evaluating this information is, we, as Trustees don't have access to the Quarterly reports that highlight which contracts are open. My first question is, would we be able to get routine access to this.

**Pouhana Hussey:** So, I would like to gently correct, Trustee Akina.

**Trustee Akina:** Please...

**Pouhana Hussey:** Every 30 days past the quarter The Administration provides the Trustees with open lists of contracts, open lists of PO's, open list of the balance sheet, the income statement. and, in fact, in your budget books you have the third quarter reports, which was the last quarter reports that were provided. The listings are tedious, but they are what they are; every contract as a PO, but not every PO has a contract. So, you're provided both lists; as you can imagine, highly granular, but it is there, and if you have questions about any of the line items, then please let us know. And just so you know, Trustees. each unit gets their section of that. You get the big, everybody contract, but Legal will get their section of the contracts, Procurement, Land will get theirs.

**Trustee Akina:** I stand corrected, we had some difficulty in getting it to pop up online. But you're saying it's readily accessible, in addition to the reports you sent out.

**Pouhana Hussey:** It is, and it is one of the things that Administration has really tried. 30 days after, and so that's why you will get a lot of things Sunday night, right before the deadline, because on April 30th all the March 31st reports are due to you.



**Trustee Akina:** I appreciate that, and if you could just give me a quick scan right now, which of our contracts are the most significant in terms of costs.

**Pouhana Hussey:** So again, it depends what the function is. In Land you'll have contracts for maintenance, those kinds of things, so it depends on the function. If you have a specific question, for example, in our commercial properties, then I can ask Casey to help understand. So, in the budget books you will also see continuing on page 23, so table 7 that you're referring to Trustee Akina is the total budget, as you pointed out, about 13.2 for the two years. If you turn to pages 23 and 24, you'll see the details of each of those by the operating units. So you'll see that in the Board of Trustees, there are Financial Advisor contracts, Investment Consultant contracts, Performance evaluation, Boardroom reconfiguration contracts are in there. So, if you take a look on pages 23, 24, 25, and then it'll end on page 28 are all of those details that will break down the 6.985 and the 6.279 at the bottom.

**Trustee Akina:** Thank you. I appreciate that.

**Pouhana Hussey:** Sure.

**Trustee Akina:** I have one more budget question. Ka Pouhana, can you confirm that for 24-25 budget requests for contracts includes an additional 400,000 to Kuilei Consulting for Real Estate Advisory services, and that's in addition to over 5 million that has already been issued to Kuilei in the past. Is this correct, that we we plan to fund 400,000 more for Real Estate Advisory services.

**Pouhana Hussey:** So, Trustee, I'll ask Ka Pou Nui to help respond to that.

**Pou Nui Brown:** Sure. Mahalo, Trustee Akina. Yeah, you're correct. There is 400,000 that is earmarked in this budget for Kuilei contract, and it's specifically for Real Estate Advisory purposes. One thing I want to provide some clarity on for the Board is, when it relates to Kuilei's work and all of the development and outreach, you want to make sure you're keeping track that there's two bodies of work right now that exist. One body of work is Real Estate Advisory, the other body of work is Outreach and Marketing. So, for example, when we were in the leg session and we had Robbie folks there, the Outreach and Marketing efforts which involved community meetings, social media, written media, advertising buys, TV, radio, all that. That's all Outreach body of work, the body of work that we're talking about with the budget here, this 400K is the Real Estate Advisory, so this is the work that involves conceptual planning, due diligence work, understanding the land use, the environmental, the infrastructure, conceptual designing. This is the work that allowed us to understand what's in the soil, the state of our bulkhead, and it gave us our talking points when it was time to go to leg. This is a discrete body of work and the outreach is a discrete body work.

**Trustee Akina:** Casey, does OHA's overall budget include any additional funds to Kuilei, in addition to this 400?

**Pou Nui Brown:** No, not in this budget. Any additional funds to would come as an additional Action Item to you folks to ask for that approval.

**Trustee Akina:** Thank you. I see, Mr. Chair, that I have a couple of colleagues waiting. I'll defer to them.

**Chair Waihe'e** recognizes Trustee Souza

**Trustee Souza:** Mahalo, Chair. Casey, during the advisory work, how much was already spent up to this point on the Real Estate Advisory.

**Pou Nui Brown:** So, it's going to piece out in a number of ways, give me one second...

**Trustee Souza:** Sorry, the reason why I ask, maybe this can help, the invoices that you sent over, the pay out so far, total of 3.7 mill.

**Pou Nui Brown:** Sure, okay, so I'll explain to that, that's helpful Trustee. That total amount really spans a number of areas that Kuilei worked on, so it includes the outreach, as well as, the Real Estate Advisory. So, if we dive into the Real Estate Advisory and piece that up, you're looking at the portion of actual development advisory, real estate advisory, that went to Kuilei as the members of Kuilei totaled to about 900-950 thousand. The rest of the money went to subcontractors and also to some fixed asset and Capital improvements on Hakuone site. So, money that it took to repave the back lot of A, the Trex deck, the furniture, we had to remove old utility poles, we had to run new electricity lines, all of that stuff. So, we had probably another 1 to 1.5 million in fixed assets in kind of Capital improvement costs, and then another portion of that money, in that 3.7 you saw Trustee, has to do with just maintaining operations of any temporary activation. So, Lot A, for example, we needed janitorial services, we needed security services, we needed to keep the lights on, so we need to pay for electric monthly and water and stuff. So, it kind of all pieces out, but hopefully, this answers your question Trustee, that the amount of dollars that went for a specific Kuilei advisory was about 900 to 950K.

**Trustee Souza:** And then you're referring to 900,000 as all being paid out to employees, as employees of the company.

**Pou Nui Brown:** It goes to Kuilei, how Kuilei pays their employees, I think Kuilei needs to fund their own back office operations, Administration, insurance and all that kind of stuff. So they pay their employees, how they see fit.

**Trustee Souza:** And that was 900,000 over two years.

**Pou Nui Brown:** Almost two years, yes.

**Trustee Souza:** Okay, my concern, and it always has been, how we move forward, with our advisors with Hakuone. Getting the Board involved, determining what the budget is going to be. When is the Kuilei contract up, or renewed or under review. How does that work?

**Pou Nui Brown:** The Kuilei contract is set for a total of five years, but there's an initial two-year term. So, the two-year term would take place, and then extensions are allowed a year at a time up to a max of five years. The initial two-year term is going to be done in September.

**Trustee Souza:** And there's also invoices that haven't been paid out, right?

**Pou Nui Brown:** We may have, there was a couple of lingering ones related to potentially the outreach, because that just wrapped up in June. So, if anything, it would be an invoice or two related to that, but most of it, I would say 97% of it is paid.

**Trustee Souza:** Okay, thank you Casey.

**Chair Waihe'e** recognizes Trustee Alapa

**Trustee Alapa:** My question is regarding the \$400,000, do we know exactly where and who we are paying? What's it for?

**Pou Nui Brown:** Sure. Yeah, the way we organize the work is we organize Kuilei's work through Statements of Work, SOW's. and right now this \$400,000 would be used to support and fund SOW 6, which is solely focused on Real Estate Advisory. Now that we know the results of last legislative session; what we hear from you folks is we don't want to stand still on these lands. We want to see what we can do of right, and that means Commercial. So, we want to understand and explore, what would a commercial phase one look like. So really, it's focused on that and to get an understanding on what we want to do there involves a lot of additional studies and advisories. So, we got to study the constraints of what a commercial use looks like, policy constraints, structural constraints, environmental constraints. We may have to re look at the market conditions again, because when we looked at it before, we looked at it from an anchoring perspective of residential, we didn't dig into what's the mixed-use commercial going to be. We anchored on residential, with mixed use commercial around. Now we have to anchor on commercial and reserve residential for a future fight. So, anchoring around commercial takes a different perspective, we have to do different studies, different conceptual designs. Then, of course, at the tail end, then do the financial modeling. So, financial modeling takes a ton of work, ton of analysis, construction cost estimating, return estimating. Then what does that projection of return look like, so a lot of additional work to give us answers that we need, to talk to the community, to talk to legislators. That's what this work would entail.

**Trustee Alapa:** Why is it that we as Trustees cannot put in our suggestions.

**Pou Nui Brown:** Administration is always open to Trustee suggestions. So, if you guys can decide what suggestions actually come from you guys as a body. So, you'll need to decide as a body what to put forward.

**Trustee Alapa:** Well, from the get-go we were going over the entire plan for Hakuone. I've asked on three occasions, what is our backup plan should the repealing of the residential does not go through, and no one answered that question. Now here we are trying to figure out what we're going to do for the second part, and time is wasted, money is wasted, we're not earning anything. How long is it going to take again to go through another year of conceptualization. How can we find a project that we can bring us income immediately?

**Pou Nui Brown:** Yeah, Trustee, these are all good comments, and these are all definitely considerations from the beginning. I think the Administration, working with the contractors, with the Real Estate Advisors, took a position of, if residential is denied, then we have to look at what *of right uses* we have. So we have commercial and office *of right uses*. So that was always in discussion, and so being that we just ended the leg session, we just got our results in late May. We knew we weren't going to get residential, so this effort with the money now is to explore that backup plan, and it does take a lot of time. What's part of this plan as well is, the whole activation of the site; the short term leasing of any property, what do we do with existing leases, all of that is the short term use. So, how do we capture value on a short term basis, and then how do we capture the long term value, which is the redevelopment. So, this this SOW, this 400K is earmarked to give you folks those answers.

**Trustee Alapa:** Thank you.

## **Chair Waihe'e** recognizes Trustee Galuteria

**Trustee Galuteria:** Thank you, Chair. Casey, help me understand, I'm certainly not the brightest bulb in this bunch, so we gotta get to the fundamentals here. As I recall, the last 900,000 we paid had three elements in it; one was developmental, one was advocacy, and the third was... I can't recall that of off the top. But in the development side of things, the short-term goal was to fix the docks and get commercial retail going. Now, going forward, what's the difference in the plan, and is the 400,000 for future planning that nothing is on the table yet. I'm very curious about that, because, this is \$400,000, it could be 200, it could be 100, but it is an expenditure, and I would like to know, and Peter is here, so that's good. He can probably answer some of these questions, too. What's the \$400,000 for that we haven't bought already, I need some clarity.

**Pou Nui Brown:** Sure. Peter, do you wanna take a stab at that?

**Peter Gilpatrick:** Sure, Good Morning. Aloha, I'm Peter Gilpatrick, my DNA is that of a developer, and I sit in New Jersey, so far away. Yes, you ask great questions; how I look at this, and I've recently become the CEO of Kuilei, is as if I owned the property, and what would I do to create value both short-term and long-term. Because in zoning and working on master plans there's not a big bang usually that this happens all at once, so you need to watch two ways, short and long, and create value today, create income today, that will support that of which you want tomorrow. In looking at things I use a mechanism which I call, a Land Development Pro forma, so I'm not talking about vertical, I'm talking about just the dirt itself. What does the dirt need to be developed vertically, because until OHA makes a decision to be a vertical developer, we're finding other people, private interests, who will develop whatever vertical elements that are permitted and that are consistent with your vision and your mission for the property, and we have to keep those both aligned. So, the basis of land value, is the land in its location. When I first looked at Kaka'ako Makai, it's world class and I spent a little time looking around at major cities across the world; how many have 30 acres behind a 40 acre park on an ocean, not very many. So, how do we activate the world to find and execute this opportunity, so there's a marketing element to it. We have permitted uses, and I think, Casey explained, I watched and learned that residential still isn't permitted, it may in the long run, but in the short run isn't. You have site issues, and you mentioned some of them, there's that retaining wall along Kewalo Basin that's deteriorated. It's not simple, there are a couple of elements there, but what we need to do is identify a simplified strategic solution for that and get those that are responsible for it to implement it, so we have a secure site to work with. Utilities, infrastructure, things like that, that all goes into a Land Development Pro forma, to develop the basis that someone who is a private interest, and wants to go vertical with something, as answers that we can readily supply to their questions. How do we capture the value, we set up and this, I think, is critical, and we've talked about it for a while, but there need to be development guidelines. Those basically come out of the mission and vision that OHA has for Hawaiian people. There's certain underlying elements that are important to have embedded into the name Hakuone, What is it? I could tell you what my vision is, but it doesn't matter what my vision is, I'm an implement to move things along. We need to identify, eliminate and resolve site issues, so that the next guide doesn't stumble over those, what happens is a dilution factor, if you let the next guy have the issues, he's gonna multiply by two or three the cost of that. All of that comes down to land values so to the extent that we can identify and eliminate them, we will. Develop an efficient and predictable approval and permitting process. I live in New Jersey, we call it high barriers of entry, I understand Hawaii probably has the highest barrier to entry, but I'm accustomed to working through the various approval processes. We need to develop that pipeline, so that again, the private developer who looks at this can see where he is and how to get to the end

zone. We need to cast a wide net, both on island and off island, to find the highest and best uses that are out there. If you ask me what the value is, I don't know. They will tell us, users tend to pay more than developers, and there's a simple reason why, developers make money with land. Users use it, for whatever their product is, so we need to cast nets to find that. So, we're setting up infrastructure to cast our net. At the end of the day, this is also an exercise in placement, you have a name, Hakuone, you have a vision, a cultural center is an element of this, it's a cultural place. How can that be knitted in throughout, because it's important, it has to be about Hawaiian and Hawaiian from your perspective, not from mine. How do we work, we need to establish the path forward, but in many action steps.

**Trustee Galuteria:** Peter...

**Peter Gilpatrick:** Yes, sir.

**Trustee Galuteria:** With all due respect. Yes, sir, yeah, I appreciate you, but this conversation is years old. I just want to know from our Administration, why we're spending \$400,000 to go back to square one, when there has to be elements in the existing plan that we can return to, otherwise, I'm not quite sure what we bought for 900,000, because we came out of it with absolutely nothing at the legislature. So to redo a development plan, knowing that we've already cut out elements of the bigger plan, I'm not quite understanding what the expenditures is coming before, if we already have things down, so that's what I'm trying to understand. Casey if you can take it from there, Peter, thank you very much for your thoughts, I appreciate it.

**Pou Nui Brown:** Sure, so again, just making sure to distinguish that the 400K is focused solely on Real Estate Advisory, and there's no outreach, no branding, no legislative, no lobbying. That's all detached, it's a separate body of work. We spent \$900,000, and if you add in the subcontracted studies that were done, you're gonna get close to 2 million, little less than that, that's what it took to learn everything that we did about the land and get to our conceptual plan last year. So now, the budget that's in this Action Item is 400K, and that's the estimate we believe it takes to get a commercial phase one look at the uses. In addition, we want to look at every parcel, not just the first project parcel. Every parcel, what is the value add that can be put there, in the short term and the long term, and what makes sense on all parcels. That would require some studies to be redone, that will require some renderings, if we want to see what it will look like to be redone, that will require financial modeling to be redone. So, it it's definitely not everything that was already done, less than half of what was already done, is probably going to be looked at and has to be redone, and it's actually going to cover a little bit different scope as well, because the thought was we should be looking at every parcel now that we're not looking necessarily looking at it as a Master Plan. So, we're going to study every parcel and come up with what is the value add short term and long term.

**Trustee Galuteria:** I still have curiosity to this, but I'm gonna respect the time and let others speak.

**Chair Waihe'e** recognizes Trustee Trask

**Trustee Trask:** Thank you, Mr. Chairman. I just wanted to point out for the Board, because some of you were not here, some of the older Trustees, to just remind ourselves that we didn't get ourselves in this process that was pushed through by Colette Machado, Ozzy them 11 years ago, and due diligence that should have been done then by Trustees who were on this Board, was not done. Parcel was turned over to our office, as far as I'm concerned for misrepresentation, and once again we're coming back 11 years later to clean it up. We just came through several months of working on

an excellent campaign, and I really want to thank some of the Kuilei people; like Kahu Cy Bridges, and Kumu Veto Baker, a lot of work was done for us.

**Trustee Trask:** First time around Trustees, we couldn't move, last year we sailed through the Senate, sailed through the Senate, not a problem. We had so much support in the Senate, and on the House side, Scott Saiki them got scared, and that's why we couldn't get the hearings in the House. Scott Saiki blocked it, he was worried because we had sailed through the Senate. When you see that it's evidence in the Legislature that somebody is hearing your message. We did very well, now we return, we have the Senate. The House, we will enter there, I don't think Scott Saiki can stop it, but you know how he is. It's not a question of our plan, and it's not a question of where we're going. It is very much a question, of the value of that property. I carry concern with it, because now I hear reservations from the Board at the very same time, I'm receiving a proposal from an Indian tribe, Morongo, wanting to come here, they put it in writing that I give up Hakuone, for a gambling Casino at the State Convention Center, down the road from the Ala Moana Hotel. I want it on the record, I am not going along with it, colleagues. I don't care whose father is involved, I don't care what Indian tribe. They came to see me, they came to see others of you, to impress upon us, give up Hakuone. Why am I getting a document from Indians, thousands of miles away, with a proposal in writing, to give up a commitment of this Board for a gambling Casino. I disagree on that, and I want it on the record, because we're not avoiding proceeding with Hakuone for any reason other than people would like to see a gambling Casino. When I spend money and flip the State Senate, and come so close to passing in the House, that the leadership in the House will not even allow us to have a hearing, that's a green flag for me to go forward. When I look at the potential commercial value here, my God! But once again, it's something that we didn't get into, the Trustees did 10 - 11 years ago, but I'll just tell you, folks, I'm not giving up a bird in the hand with this kind of value, so that people can move forward with a gambling casino. I told the Indian straight out, you go to see the Governor, House and Senate, you cannot touch that, we cannot look at that. But a commitment is made in terms of investing in this, and I just want to say that it was a tough session. I didn't really see you folks there. I was there, Kalei Akaka came.

**Trustee Souza:** *I was there.*

**Trustee Trask:** But the whole Board never show up, here we are going. Oh, you don't understand. *Come on*, we got a legislature coming up. I give um licks in the Senate, I'm ready to go back. Let's not back down on where we're going, and let's not pretend we're going back 11 years. I wasn't here for this, but some of you were, clean it up. Clean it up.

**Pou Nui Brown:** Chair Waihe'e, I know, I see the Trustees have hands up. I wanted to Mahalo Trustee Trask, but I wanted to add a comment, say something that may help to further understand this 400K in front of us, on the Real Estate Advisory, in particular.

**Chair Waihe'e:** Go ahead, Casey.

**Pou Nui Brown:** Okay, Trustees, if OHA were to pursue any of its of right uses at Hakuone, so whatever we're allowed to do, it would be a very public process. A lot of permitting, a lot of community input, we've got to work with HCDA, it would definitely be very public. The most basic question we would have to answer is; *so what are you guys going to do there?* Remember, now, this is just pursuing our of right uses, we gotta be able to answer that basic question, so what are you gonna do, so what do you plan to build, this \$400,000 gets us there.

## **Chair Waihe'e** recognizes Trustee Souza

**Trustee Souza:** Mahalo, Chair. You know, I cannot support anything that happened at OHA prior to me getting here, I wasn't a part of the decision making, but I will take responsibility for every single thing that happens during my term here at OHA, however long that is. So when I see that we reach out to consultants, whoever it is, I don't care what we're being advised on; investments, Hakuone, other commercial properties, whatever it is, I just want to tell you this, I want to be advised. I want to be advised on something that I don't already know, we all know how to lose. I know how to lose, we've lost. We've lost at the leg, we've lost a lot of money. So now, Peter, we've never met, I look forward to having some quality real estate conversations with you, man. I'm going to go back to the question that Trustee Galuteria, had asked earlier, that \$400,000, what are we going to do differently, and what's your plan, because when we come to you with your expertise, and especially now the CEO of Kuilei, I want you to tell me what your plan is, so that we can support it as a Board, because we want to, because we're investing in you guys, and we have invested in you guys, I don't know who you guys are, number one, I'm going to tell you that straight up, and it's continuously changes. I know certain individuals who I support, I don't know what they're involved in, I don't know how they influence this Kuilei, and what approach they're taking sometimes, because we're not apprised of the situation which we should be. There was one time that we got to meet, and I'm still not satisfied with the answers that I received, so we still have questions, and especially myself and Trustee Galuteria, we're still on boarding, technically, and we're still learning here. I asked the good questions because I need to know the answers, and until I get those answers I'm going to keep asking those questions. Germaine, one of our beneficiaries, and the reason why I ask these questions is for you guys, our beneficiaries who voted me in, who support us as a Board. Maybe not me individually, but support us as Trustees to make quality decisions, properly advised decisions, anyway. So, I want to hear from you, Peter, I mean off the top of your head, what can you think of, last minute decision, Split decision, if I give you 10 seconds, what are we going to do right now?

**Peter Gilpatrick:** Ten seconds, find instant money for the land as it is now, and pay for me with that money, it's money that you don't have today, if we can find uses to immediately activate things, create value, it's money that pays for the planning. I am not planning and designing vertical buildings, that's not what I'm about. That's what private sector people are about, they will come with their ideas, and we get to sit in judgment of what they bring to us. I can give you example after example of how I do that, how I've done it in the past, and I will do it for you. It's creating the proper catcher's mitt for OHA, for this property in your own vision, and the private sector will tell you, when they will develop, how much they will pay, I don't believe a market study has been written that embraces this site's location, on the water, in Honolulu that everybody in the world understands where it is. I have some angst for it, I also have some angst for you guys. I don't work for anybody, but Hawaiians and OHA. I am not a developer, I am your agent to create value with your land, near term and long term, and there's a process to do that. There's a way to say, as I've said to people, there's that wharf over there that's deteriorating, the HCDA owns, Howard Hughes has a lease on it, let the Pacific have it. Our land starts behind it, put in a wall, and use your land, fill the holes, get it right. To do that, I need some smart people, they could be civil engineers, they could be land use attorneys who say this is the path, button it up, now you have something to go up. If you want workforce housing, you want housing for Hawaiian people, it's a great story, if that's what you want on this property. If you want luxury housing, it's a different story, but I will listen to you, and I will aggressively go after it. It's two things, it's solving the problems and casting the net, finding the people out there and creating a competition. But, in the interim, and we've talked about this with OHA, with staff, what can we do with the property to generate some income. You've got a couple of empty buildings; one you can only use

for a few years till it becomes historic, the others over there, I think it's Lot L, over on the industrial side that has use that could be activated within the next 6 to 10 months a year, it's an asset, and it's long-term use. I don't know what it's going to be, I think it's a great hotel site, since it's close to the ocean and all of that. But, those are the things to do, and if you create that income, then this this envelope, called Hakuone begins to feed itself.

**Trustee Souza:** Thank you, Peter. With all due respect, I appreciate it. When did you join Kuilei, I know you're the new CEO, but when did you join the team.

**Peter Gilpatrick:** I was there in the beginning.

**Trustee Lindsey:** The beginning.

**Trustee Souza:** So that's why I asked the question. Thank you. Chair, for clearing that up. What are we going to do differently now that you already didn't have the chance to influence up until this point. That's the 10 second question, I wanted you to answer, I didn't get my answer. Thank you, Chair. Somebody else can ask a question. Mahalo, Peter, Thank you. I look forward to talking with you in the future, Aloha.

**Chair Waihe'e** recognizes Trustee Akina

**Trustee Akina:** Thank you, Mr. Chair. I've got basically three things to say; the first is that in my understanding, we are committed as Board to the development of Hakuone for the benefit of the Native Hawaiian people. It's the fulfillment of our fiduciary trust. We have gone down to the legislature together to fight battles, we have talked among each other, and I proceed on the basis that I stand with my fellow Trustees here, to see how to only developed for the people that we are responsible to, as our beneficiaries. Secondly, we failed to achieve several objectives during the last legislative session, and it's important that we look at that. I believe third, that today's conversation amongst us, reaffirms the understanding that we've got to kukakuka with each other as Trustees, we have to be able to evaluate our efforts so far, before we continue to fund them, and for that reason I want to suggest that we put aside the funding of further contracts, not in a permanent sense, but temporarily, so that we can have this evaluation. This will not endanger being able to continue with the contract 400K for Kuilei, if we choose to do that. I have the deepest conviction that we will be best served by evaluating and assessing our efforts and coming together to agree on a direction going forward with the goal of ensuring that we are successful when we go back to the legislature in future years, and that we are successful in our own outreach as well as planning side of being able to establish Hakuone. So for that reason, here's what I would like to propose, to bifurcate the funding of the contracts for Kuilei of approximately 400K, and proceed with the approval of the budget. I've provided some language, and I'd like to move this, and I invite a fellow Trustee to second it.

**Trustee Akina moves to approve the OHA Biennium Budget for the Fiscal Biennium Period 2023-2024 (FY 24) and 2024-2025 (FY 25) as outlined in Attachment #1 NOT including new and ongoing funding to Kuilei Consulting, Inc., such as the amount of \$400,000 for services related to Real Estate Advisory, under "Contracts" in the Core Operating Budget. *located on page 79 of the PDF.***

**Trustee Souza seconds the motion**



**Chair Waihe'e:** Okay, this will be bifurcated, which if this passes we will still have to take up the second part of it.

**Chair Waihe'e** recognizes Pouhana Hussey.

**Pouhana Hussey:** Just a friendly amendment to Trustee Akina's motion. It's in the non-core budget. So just the last phrase there, if you're bifurcating, it is in the non-core budget versus the core budget.

**Trustee Akina:** Thank you for that correction. I would agree with that, change *core* and *non-core* operating budget.

**Trustee Souza:** Second.

**Chair Waihe'e** asks if there is any discussion.

**Chair Waihe'e** recognizes Trustee Alapa.

**Trustee Alapa:** Thank you, Chair. I'd like to know, with this bifurcation, are we going to discuss this motion right now.

**Chair Waihe'e:** That's what we're doing right now.

**Trustee Alapa:** Okay, that's what I wanted to know, I thought, this was going to be moved to later time. Thank you.

**Chair Waihe'e** recognizes Trustee Akaka.

**Trustee Akaka:** With this bifurcation, and with this motion in front of us, I would like to get more background in terms of how this would affect things going forward, and with the timeframe, and so forth, and what would be done differently.

**Pou Nui Brown:** I can provide a little bit, Chair Waihe'e.

**Chair Waihe'e:** Go ahead, Casey.

**Pou Nui Brown:** Great, so this would essentially just put all of Kuilei's work on pause, and that means the Real Estate Advisory would halt, because this 400K is specifically for the Real Estate Advisory, and we have no other work going on. The Real Estate Advisor would halt, we wouldn't be meeting, we wouldn't be learning anything new, we wouldn't be able to answer the question that I shared earlier, is what are you guys doing on your lots, but that's it, so everything would halt.

**Chair Waihe'e:** Kalei, the immediate impact it would have would be that everything in the budget would pass except for that contract, and then we would take that up separately and decide what we want to do with that contract immediately after whether this motion passes or fails.

**Chair Waihe'e** recognizes Trustee Akina.

**Trustee Akina:** Casey, my understanding is that the work with Kuilei that has already been contracted will not be affected, and we are talking about, whether an extension or new contract in

September of 2024 will be funded. I would think we have enough time to “*fund that*” if we choose to do so, following our evaluation.

**Pou Nui Brown:** I gotcha, I see, so actually, it would be a little different, because there is no funding appropriated for this current SOW, that we're working with them right now on so trying to develop it for the work of Real Estate Advisory, it would halt, this approval of the money is keep the work moving forward and not lose momentum, so everything would come to in a halt. We don't have any money in place, that's been earmarked or ready to be done. This is the new work.

**Trustee Akaka:** My concern is that this halt the progress, and how much longer would we take to move forward and get going on our work here.

**Chair Waihe'e** recognizes Interim General Counsel Everett Ohta.

**Interim General Counsel Ohta:** Thank you, Chair Waihee. Based on that clarification and ongoing discussion of the Board, I might suggest the striking of the word *ongoing* in the motion, regarding funding, such that funding contained in the existing contract with Kuilei to cover agreed upon, scope of work, not be inadvertently affected by the Board's action to not approve the \$400,000 in additional funding that is in the proposed Biennium Budget.

**Trustee Akina:** Mr. Chair, Everett has stated my intention, I have no problem with just removing the superfluous word of *ongoing*.

**Pou Nui Brown:** Can I add one more comment, just to answer the overall, what does this mean, in terms of what will happen. In the financial world, and especially in the Real Estate development world, keep in mind also that information gets stale. So the development and the information that you collect, and the analysis, you create all of that keeps driving forward to get things done in a certain time. If we do have any delays, delays happen, but the more delays, the longer they are, information becomes stale, and you got to repeat studies, you have to repeat some of the work to understand the conditions of the market, even the broader market of developers. What's going on at that time, takes three studies, so just keep that in mind.

**Trustee Akina:** That would underscore how important it is for us as a Board to do our review and evaluation. We're not trying to delay, we want to do that so we can move forward.

**Pou Nui Brown:** That's why all the WCIT work years ago, is pretty much useless. We took a few things to inform of it's use but it's stale.

**Chair Waihe'e** recognizes Trustee Lindsey.

**Trustee Lindsey:** Thank you, Chair. I just want to speak in favor of moving forward with the budget. Having been through the conceptual plan with Group 70, 12 years ago, when we accepted these lands, and then moving on to WCIT, spending 3 million dollars. The 3 million and the 1 million, 4 million, nothing, we never get nothing.

But I did note, Sylvia sent to us just a couple of days ago, all the money that was expended, and all the deliverables that were given, and I was actually happy to see that kind of progress. It's progress that maybe we don't see on the land, but it's stuff that gotta be done in order to move forward. We knew that we were in the residential housing area, mind wise, when we went into the legislature this year.

**Trustee Lindsey:** But, we also knew, we did have a backup, if the leg doesn't pass our housing, our residential, we go with commercial. This \$400,000 is to make sure we have money to move into what commercial, are we going to go on Fishermen's Wharf land, we do have another land that's open, that's Lot C. Or are we going to do a cultural center right away. That is the kind of where these people have to do right away for us. Tell us how much going cost, tell us what's the impact on our people. But all the things that we can think of commercially, we can do right away. So, if we have questions about strategy, we can have a workshop for that, and we can talk story, but don't stop the work, because when we stopped the work the last time it just died. 10 years, you're right, 10 years went by and nothing happened. Only when there was a change we started to really push. So, I ask your indulgence to let, 400,000 is really small money compared to the 4 million that we spent for nothing. We've spent good money, we've gotten good deliverables. I would say, let us go forward and talk anytime we want to talk, strategy, we can talk, there's no secrets on the Board.

**Chair Waihe'e** recognizes Trustee Alapa.

**Trustee Alapa:** Thank you. Chair Hulu for saying that, because that helps reassure me and hoping the rest of our Trustees to know that we can still create the dialogue that we feel, I don't know about the rest of you, or I feel that we've kind of been feeling excluded, and we don't know what's going on. So, you know the thoughts from your head, we were not quite sure where we're going. And now, with this being said that if we can implement this, and not wait around, we're tired of waiting, we just want to get moving forward, and to be able to meet with our Board to discuss the next plan of action, to me is very important, the immediacy of it. \$400,000, I needed to know where we stood with that, and the breakdown of how we're going to implement that, and I know that we're on a roll right now, but we also have to be very careful, and mindful of that money. To have the information that we need for us to make this kind of decision, in this dialogue that we're creating right now helps me to understand that we're going to make this decision, to do the best that we can to see some actual realities happening on our property. As I mentioned before, I really want to see our commercial development moving quickly, we need to make money. Thank you.

**Chair Waihe'e** recognizes Trustee Souza.

**Trustee Souza:** Thank you, Chair. One of the main components of this whole thing, I will tell you what influences this as well. When we ask for something as a Board, we get in the timely manner. I don't get it the week of, you ask me to approve a budget on something I'm uneducated about. I'm always going to make informed decisions, like I said, I'm always going to ask a good questions. So, I cannot support until I get the documentation that I need. Casey just said, 95% has already been paid out, I saw a list of invoices that totaled up to 3.7 mill., as far as I'm concerned, I think it was up to 5.7 million, that was approved. Correct me, if I'm wrong around. So, the Statement of Work you're referring to is what, Casey, that \$400,000 is going to satisfy current work that's been taking place, or to come up with a plan for future work.

**Pou Nui Brown:** Future work.

**Trustee Souza:** Future, exactly. All the decisions that are being made today are based on decisions that happened in the past, so if I'm going to make a determined decision, I need to know what happened with all the other monies. And as soon as I get that information, I can support something like this. So, thank you.

**Chair Waihe'e** recognizes Pouhana Hussey.

**Pouhana Hussey:** Thank you, Chair Waihee. Trustees, I'd like to suggest, no criticism on the motion, it's clear. But I'd like to suggest further refining the motion, so that Administration has some very specific action to address the concerns that you have, so just not including the 400,000, is certainly an action. But, I heard a lot of concern and desire to understand, what will the 400,000 be used, for how does it fit into the commercial, overall planning, all of those details, how will it be spent. So, I would suggest that the motion put something, you know like, excluding 400,000 in contracts, or subject to Administration bringing back details on the 400,000, etc. That way, it's very clear what is expected of Administration, and I realize my 2 cents is only good for 2 days. But I'm just saying, let's help Colin out, be specific, so that the Administration knows what is to bring back. I will also advise you regarding process, in the event that that 400,000 is not with the current contract, that scope of work will need to go out to an entirely new RFP process. So there's two issues there, so those kinds of things can be brought back to the Board, but again, some more details would be helpful to Administration, so they can bring back exactly the information that you would want and need to make a sound decision.

**Chair Waihe'e:** Thank you, Ka Pouhana. So, when you bifurcate a motion, by definition you're making it in two different parts. My intention was when we take that part up next, because it's bifurcated, I would try to convince them to pass it with whatever conditions they want to put on it, subject to...

**Pouhana Hussey:** Okay, thanks for that clarification. So, if I'm understanding, just taking it out and then voting on the budget and then taking the next motion for the 400,000. Okay, I apologize to see that makes sense.

**Chair Waihe'e** recognizes Trustee Souza.

**Trustee Souza:** Sorry, Ka Pouhana, completely new RFP process, what does that mean?

**Pouhana Hussey:** So, the 400,000 is being proposed for the contract that we have for our Real Estate developer, we had a process, we have a contract, we have scope, there's a mechanism to do that. If it is something completely different, then that's a completely different RFP process, but we already have an in-house development consultant, we already have a contract, we already have a mechanism for that. It just needs budget authority and scope to do that. But, if the Board is like, no, I want somebody else, then that whole process is a brand-new process which will add at a minimum 4 months of work.

**Trustee Souza:** Okay, thank you.

**Chair Waihe'e:** If there's no, further discussion on the first part of the bifurcated motion.

**Trustee Akaka:** I need a little time to look at this motion again and make sure that I'm able to vote. So just to get some clarification on this. So, the original motion that Trustee Akina had made, and Trustee Souza had seconded in terms of bifurcating.

**RM Staffer Wennihan:** This, is it. The bifurcated motion that we are voting on is to move, to approve the OHA Biennium Budget for the Fiscal Biennium Period 2023-2024 (FY 24) and 2024-2025 (FY 25) as outlined in Attachment #1 NOT including new funding to Kuilei Consulting, Inc., such as the amount of \$400,000 for services related to Real Estate Advisory, under "Contracts" in the Non-Core Operating Budget.

**Trustee Akaka:** Kala mai, so we didn't vote on the action to bifurcate, then. This is the original motion.

**RM Staffer Wennihan:** This is the only motion that we have on the floor.

**Trustee Lindsey:** This is the bifurcated motion.

**RM Staffer Wennihan:** Correct, and we'll be taking up the Kuilei Consulting part separately.

**Trustee Souza:** Trustee Akina, you can correct me if I'm wrong. I think you made a motion to bifurcate, not to accept the rest of the budget, and keep this separate, right?

**Trustee Lindsey:** We did not vote on the budget, we only entertaining the bifurcation, and then we'll go to the Budget.

**Trustee Souza:** That's why I think the motion is wrong.

**Chair Waihe'e:** No, this is the whole budget.

**Trustee Akaka:** But, we didn't vote on the bifurcation.

**Trustee Lindsey:** We didn't vote on the bifurcation.

**Chair Waihe'e:** No, we don't have to. The way the motion was made if voting on the entire budget, except the Kuilei portion.

**Trustee Akaka:** Does, Everett want to opine on this?

**Chair Waihe'e** recognizes Interim General Counsel Ohta

**Interim General Counsel Ohta:** Thank you, Chair. That's before the Board currently is a bifurcated motion made by Trustee Akina, and second by trustee Souza, that provides for the approval of the Biennium Budget, aside from the \$400,000 that's allocated to Kuilei. That was made as the motion and there is no need to make a motion to bifurcate because it was brought as the original option. So for the Committee's consideration, this motion would be taken, it approves the budget as proposed, except for the \$400,000 of funding to Kuilei, and then the second motion that is likely to come before this Committee would be the approval of the \$400,000 to Kuilei.

**Trustee Akaka:** Mahalo, Everett for providing that clarification.

**Trustee Souza:** Thank you, I stick with my second of that motion.

**Chair Waihe'e** asks if there is any further discussion on the motion.

There is no further discussion.

**To approve the OHA Biennium Budget for the Fiscal Biennium Period 2023-2024 (FY 24) and 2024-2025 (FY 25) as outlined in Attachment #1 NOT including new funding to Kuilei Consulting, Inc., such as the amount of \$400,000 for services related to Real Estate Advisory, under "Contracts" in the Non-Core Operating Budget.**

Chair Waihe'e calls for a **ROLL CALL VOTE**.

| MOTION #1               |   |   |              |               |                      | Motion: 11:38 a.m.<br>Vote: 11:53 a.m. |
|-------------------------|---|---|--------------|---------------|----------------------|----------------------------------------|
| TRUSTEE                 | 1 | 2 | 'AE<br>(YES) | A'OLE<br>(NO) | KANALUA<br>(ABSTAIN) | EXCUSED                                |
| DAN AHUNA               |   |   |              |               |                      | EXCUSED                                |
| KALEIHIKINA AKAKA       |   |   | X            |               |                      |                                        |
| KELI'I AKINA            | 1 |   | X            |               |                      |                                        |
| VICE-CHAIR LUANA ALAPA  |   |   | X            |               |                      |                                        |
| BRICKWOOD GALUTERIA     |   |   | X            |               |                      |                                        |
| CARMEN HULU LINDSEY     |   |   |              | X             |                      |                                        |
| J. KEONI SOUZA          |   | 2 | X            |               |                      |                                        |
| MILILANI TRASK          |   |   |              | X             |                      |                                        |
| CHAIR JOHN WAIHE'E      |   |   | X            |               |                      |                                        |
| <b>TOTAL VOTE COUNT</b> |   |   | <b>6</b>     | <b>2</b>      | <b>0</b>             | <b>1</b>                               |

**VOTE:** [ ] UNANIMOUS [ X ] PASSED [ ] DEFERRED [ ] FAILED

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

Chair Waihe'e asks for a motion to approve the OHA Biennium Budget for the Fiscal Biennium Period 2023-2024 (FY 24) and 2024-2025 (FY 25) as outlined in Attachment #1 regarding ONLY the new funding to Kuilei Consulting, Inc., such as the amount of \$400,000 for services related to Real Estate Advisory, under "Contracts" in the Non-Core Operating Budget.

Trustee Lindsey: *So move.*

Trustee Akaka: *Second.*

Chair Waihe'e asks if there is any discussion on the motion and states that he would like to come to a consensus with the Board on any subject to suggestions there may be.

Trustee Akaka: I believe a workshop was recommended by the Chair of the Board, so that there would be an opportunity to discuss this further.

Chair Waihe'e: So if we amended it to subject to the approval of something, wherein we wouldn't release the money, unless the conditions were met then we could approve it now. I'm not sure exactly what conditions you guys wanted to put on it.

Chair Waihe'e recognizes Trustee Akina

Trustee Akina: I think the spirit with which this was offered, was not to stop us from engaging Kuilei, but rather to stop the funding process now, so that we will evaluate and assess our overall Hakuone strategy as Trustees. If that's put into it, my understanding is if the motion before us is amended to include qualification, that we, as a Board conduct, an assessment and evaluation of our Hakuone strategy. We could vote to fund Kuilei at a later time, without having to go through a separate RFP process. Does our Counsel agree with me?

**Chair Waihe'e:** I agree with you, but we'll ask Everett.

**Interim General Counsel Ohta:** Yes, there is a motion before the Board currently to provide for the funding of the \$400,000 amount; but to Trustee Akina's question, the Board can choose to take up the funding decision at a later time, assuming that this vote is unsuccessful or the motion does not pass.

**Chair Waihe'e:** If they amended the motion to subject it to everything they want to have happened before they're willing to release the money, could they pass it now and not have to worry about the money being released before all the things we want to have happen.

**Interim General Counsel Ohta:** Chair Waihe'e, I think it would depend on the nature of the conditions that are proposed, or adopted by the Board. If there are certain deliverables, upon the delivery of the completion of certain tasks, or the delivery of certain items, then that can provide for an automatic approval, without coming back before the Board, but if it's some kind of threshold for approval, or some sort of level of comfort by the Board, then that would probably be best handled through a separate approval, so there's no ambiguity as to whether that condition was met.

**Chair Waihe'e:** What if we want to have the funds available in the budget without having to pass it as an unbudgeted item later on. If we decide we want to fund them after the evaluation and everything. How can we?

**Pou Nui Brown:** Yeah, maybe we use the subject to language here and the subject to a presentation outlining the Scope of Work proposed for that 400K, and that presentation or the scope of work has to be to your satisfactory. So, I would recommend something like along those lines where we can bring back, what is this 400K going to really be used for, this is the scope of work, here's what you guys will get from it, this is why it's different from what was already done, and if it meets Board satisfaction, then the funds will be approved. So, subject to an accepted presentation by Kuilei on the scope of work proposed for the 400,000.

**Chair Waihe'e** recognizes Trustee Akina

**Trustee Akina:** Yeah, my concern is not about Kuilei. The condition we should set is that we, as a Board conduct a satisfactory review and evaluation of our Hakuone efforts. That is what this should be subject to, not whether Kuilei gives us more information.

**Chair Waihe'e:** If this motion was amended to be subjected to an evaluation and assessment, would you support this motion.

**Trustee Akina:** I would like to ensure that we have an evaluation and assessment by the Board, and I'd like to see that we have the option after that to vote to continue funding Kuilei.

**Chair Waihe'e:** I would support anything that you guys would want to subject it to. Make the amendment, and then I'll support it.

**Chair Waihe'e** recognizes Trustee Souza

**Trustee Souza:** (microphone not on)... to that, as long as the Board can determine how the assessment is going to take place, or what the terms are. I'm not going to sit through another presentation, I think we're educated up to this point and I think maybe we can advise our advisors in that to a certain extent, and that's all I want to be included in. So, if that is the case, we can

guarantee the assessment, we can decide what the terms will be, then it'll come back, it'll have a discussion, and we'll vote on it at that point. So, what are you saying, Chair, to keep the 400,000 in the budget, but do not release until assessment is done, and the Board agrees, is that what you're saying.

**Chair Waihe'e:** If that what it would take to pass this budget, then I would rather do it that way, than just have it fail. I don't know how you want to amend it, it would have to be satisfying to what you guys would be willing to approve it with.

**Trustee Lindsey:** So the motion is made already, so let's just add to it, make an amendment.

**Trustee Akina:** Mr. Chair, may I suggest we take a few minutes to work on this, and by the way, I don't think we had an agreement here to say that it would be subject to a presentation by Kuilei, and so on, so that that's not something that came from us.

**Chair Waihe'e** calls for a ten minute recess.

**RM COMMITTEE RECESS 12:13pm to 12:23pm**

**Chair Waihe'e** calls the Committee on Resource Management meeting for Wednesday, June 21, 2023 back to order at **12:23 p.m.**

**Chair Waihe'e:** We're back in the session, last spoke we have a motion on the floor, is there an amendment.

**Trustee Akina:** Mr. Chair, I would like to propose some language to amend the motion before us, subject to advice from our Counsel here in open session. So if we could actually see the motion on the board that has been moved and seconded. The language I'm going to suggest is open to any input from fellow Trustees, it's just to get the ball rolling. We have written already *to approve the OHA Biennium Budget for the Fiscal Biennium Period 2023-2024 (FY 24) and 2024-2025 (FY 25) as outlined in Attachment #1 regarding ONLY the new funding to Kuilei Consulting, Inc., such as the amount of \$400,000 for services related to Real Estate Advisory, under "Contracts" in the Non-Core Operating Budget.* I would suggest to add, *Subject to the Board of Trustees' completion of an evaluation and assessment of OHA's recent efforts to develop Hakuone,* I just want to throw it out there for consideration, and I would appreciate having our Counsels advice and any other Trustees input to that.

**Chair Waihe'e** recognizes Interim General Counsel Ohta

**Interim General Counsel Ohta:** So, it appears that Trustee Akina is seeking to subject the release of those funds, subject to the Board's completion of an evaluation and assessment.

**Trustee Akina:** Everett, how can we word it so that it would be subject to the Board's vote.

**Interim General Counsel Ohta:** Okay, so an evaluation and assessment...

**Trustee Souza:** Sorry, Everett. Can I add something in there.

**Interim General Counsel Ohta:** I think this is currently...Sorry, just for everyone's information, there is a motion on the table that's the motion that's not highlighted. The highlighted language is the



amendment that would be put before the Board, but it's being currently worked on in terms of language, so there's so the motion is before the Board, but the amendment is still being discussed. Sorry, Chair Waihe'e, I cut Trustee Souza off, but I just wanted to make sure that everyone's on the same page of where we are.

**Chair Waihe'e** recognizes Trustee Souza

**Trustee Souza:** Yeah, I agree with the assessment, but, that the terms are decided upon by the Board as well, having to do with this assessment. Can we add that in, how we move forward, because I think it's important how we move forward with the assessment.

**Interim General Counsel Ohta:** So, I guess Chair, setting forth the terms of that assessment is still going to require a subsequent Board action to kind of outline what is being sought. If that's what's going to be included in the motion, then that is gonna have to probably require a future action by the Board, if it's being subject to satisfactory evaluation or something of that line, then it's really, the Board being able to make a determination at a later time to say that this condition has been met. But, it's more open-ended and possibly, less specific than what would be done by the Board in setting the parameters for that assessment.

**Trustee Akina:** Everett, perhaps at the very end, after Hakuone, a phrase that will indicate that this is subject to the Board's affirmative vote, or the funding would be subject to the Board's vote, could you offer a phrase.

**Interim General Counsel Ohta:** *an approval to proceed*

**Trustee Akina:** As long as we know that it is the Board that will decide whether or not the funding goes forward.

**Interim General Counsel Ohta:** *an approval to proceed by the Board of Trustees.*

**Trustee Souza:** Well, it'll require a majority vote by the Board of Trustees if you want to word it that way, right?

**Trustee Akina:** Approval would be the same.

**Chair Waihe'e:** If there's no problems with that, Trustee Akina please make the amendment.

**Trustee Akina moves to amend the motion as shown on the board, adding the phrase *subject to the Board of Trustees' completion of an evaluation and assessment of OHA's recent efforts to develop Hakuone and an approval to proceed by the Board of Trustees.***

**Trustee Souza seconds the amendment.**

**Chair Waihe'e** asks if there is any discussion on the amendment.

**Trustee Akaka:** I'd be interested to know a timeframe, a potential timeline in terms of when the evaluation and assessment would be done.

**Trustee Souza:** It would have to be done before September, correct?

**Chair Waihe'e:** Correct, so maybe within a month, before July 30th.

**Chair Waihe'e** asks if there is any further discussion on the amendment.

There is no further discussion.

**Chair Waihe'e** calls for a **ROLL CALL VOTE**.

| AMENDMENT               |           |   |   |              |               |                      | Motion: 12:26 p.m.<br>Vote: 12:32 p.m. |
|-------------------------|-----------|---|---|--------------|---------------|----------------------|----------------------------------------|
| TRUSTEE                 |           | 1 | 2 | 'AE<br>(YES) | A'OLE<br>(NO) | KANALUA<br>(ABSTAIN) | EXCUSED                                |
| DAN                     | AHUNA     |   |   |              |               |                      | EXCUSED                                |
| KALEIHIKINA             | AKAKA     |   |   | X            |               |                      |                                        |
| KELI'I                  | AKINA     | 1 |   | X            |               |                      |                                        |
| VICE-CHAIR LUANA        | ALAPA     |   |   |              |               | 1 – X, 2 - X         |                                        |
| BRICKWOOD               | GALUTERIA |   |   | X            |               |                      |                                        |
| CARMEN HULU             | LINDSEY   |   |   |              |               | 1 – X, 2 - X         |                                        |
| J. KEONI                | SOUZA     |   | 2 | X            |               |                      |                                        |
| MILILANI                | TRASK     |   |   |              |               |                      | <i>Departed at 12:11p.m.</i>           |
| CHAIR JOHN              | WAIHE'E   |   |   | X            |               |                      |                                        |
| <b>TOTAL VOTE COUNT</b> |           |   |   | <b>5</b>     | <b>0</b>      | <b>2</b>             | <b>2</b>                               |

**VOTE:** [ ] UNANIMOUS [ X ] PASSED [ ] DEFERRED [ ] FAILED

**Chair Waihe'e** notes for the record that five members present vote 'AE (YES), two ABSTAIN and two are EXCUSED and the **AMENDMENT PASSES**.

**Chair Waihe'e** moves back to the MAIN MOTION as AMENDED

**To approve the OHA Biennium Budget for the Fiscal Biennium Period 2023-2024 (FY 24) and 2024-2025 (FY 25) as outlined in Attachment #1 regarding ONLY the new funding to Kuilei Consulting, Inc., such as the amount of \$400,000 for services related to Real Estate Advisory, under “Contracts” in the Non-Core Operating Budget, subject to the Board of Trustees’ completion of an evaluation and assessment of OHA’s recent efforts to develop Hakuone and an approval to proceed by the Board of Trustees.**

**Chair Waihe'e** asks if there is any further discussion.

There is no further discussion.

Chair Waihe'e calls for a ROLL CALL VOTE.

| MOTION                  |           |   |   |              |               |                      | Motion: 12:03 p.m.<br>Vote: 12:35 p.m. |
|-------------------------|-----------|---|---|--------------|---------------|----------------------|----------------------------------------|
| TRUSTEE                 |           | 1 | 2 | 'AE<br>(YES) | A'OLE<br>(NO) | KANALUA<br>(ABSTAIN) | EXCUSED                                |
| DAN                     | AHUNA     |   |   |              |               |                      | EXCUSED                                |
| KALEIHIKINA             | AKAKA     |   | 2 | X            |               |                      |                                        |
| KELI'I                  | AKINA     |   |   | X            |               |                      |                                        |
| VICE-CHAIR LUANA        | ALAPA     |   |   | X            |               |                      |                                        |
| BRICKWOOD               | GALUTERIA |   |   | X            |               |                      |                                        |
| CARMEN HULU             | LINDSEY   | 1 |   | X            |               |                      |                                        |
| J. KEONI                | SOUZA     |   |   | X            |               |                      |                                        |
| MILILANI                | TRASK     |   |   |              |               |                      | <i>Departed at 12:11p.m.</i>           |
| CHAIR JOHN              | WAIHE'E   |   |   | X            |               |                      |                                        |
| <b>TOTAL VOTE COUNT</b> |           |   |   | <b>7</b>     | <b>0</b>      | <b>0</b>             | <b>2</b>                               |

VOTE:  UNANIMOUS  PASSED  DEFERRED  FAILED

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the MOTION PASSES.

Chair Waihe'e recognizes Trustee Souza

**V. ANNOUNCEMENTS**

None

**VI. ADJOURNMENT**

Trustee Souza moves to adjourn the RM meeting.

Trustee Lindsey seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is zero discussion.

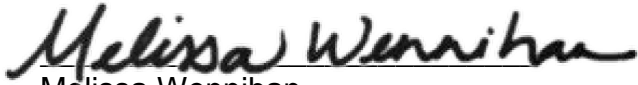
Chair Waihe'e calls for a ROLL CALL VOTE.

|                         |           |   |   |              |               |                      | 12:37 p.m.                   |
|-------------------------|-----------|---|---|--------------|---------------|----------------------|------------------------------|
| TRUSTEE                 |           | 1 | 2 | 'AE<br>(YES) | A'OLE<br>(NO) | KANALUA<br>(ABSTAIN) | EXCUSED                      |
| DAN                     | AHUNA     |   |   |              |               |                      | EXCUSED                      |
| KALEIHIKINA             | AKAKA     |   |   | X            |               |                      |                              |
| KELI'I                  | AKINA     |   |   | X            |               |                      |                              |
| VICE-CHAIR LUANA        | ALAPA     |   |   | X            |               |                      |                              |
| BRICKWOOD               | GALUTERIA |   |   | X            |               |                      |                              |
| CARMEN HULU             | LINDSEY   |   | 2 | X            |               |                      |                              |
| J. KEONI                | SOUZA     | 1 |   | X            |               |                      |                              |
| MILILANI                | TRASK     |   |   |              |               |                      | <i>Departed at 12:11p.m.</i> |
| CHAIR JOHN              | WAIHE'E   |   |   | X            |               |                      |                              |
| <b>TOTAL VOTE COUNT</b> |           |   |   | <b>7</b>     | <b>0</b>      | <b>0</b>             | <b>2</b>                     |

**VOTE: [ X ] UNANIMOUS [ ] PASSED [ ] DEFERRED [ ] FAILED**

Chair Waihe'e adjourns the RM meeting at 12:37 p.m.

Respectfully submitted,



Melissa Wennihan  
Trustee Aide  
Committee on Resource Management

As approved by the Committee on Resource Management (RM) on August 2, 2023.



Trustee John Waihe'e, IV  
Chair  
Committee on Resource Management